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**Public Trustee
Financial Statements
and
Report on the Audit
Year ended March 31st, 1982**

Ministry of the Attorney General
Public Trustee Financial
Statements and Report on the Audit
Year Ended March 31, 1982

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**THE PUBLIC TRUSTEE OF THE
PROVINCE OF ONTARIO**

**Financial Statements and
Report on the Audit
Year ended March 31, 1982**



Ontario

Ministry of the
Attorney
General

Office of the
Public Trustee

416/362-1331

145 Queen Street West
Toronto, Ontario
M5H 2N8

**SIXTY-SECOND ANNUAL REPORT
OF THE PUBLIC TRUSTEE
1981-82**

Financial reports or statistical analyses do not necessarily establish if any organization is performing its duties well, but they do help measure the effectiveness of the job being done.

The financial information in the following pages discloses that the office of the Public Trustee is managing assets of ever increasing value now amounting to approximately 270 million dollars, has earned total revenue for the year just short of 15 million dollars, and after having paid all expenses has a net income in excess of 4.5 million dollars.

During the past year the Public Trustee has endeavoured to maximize the interest payable to the estates which it manages through substantial investment in the short term money market and by investment of funds on behalf of individual estates in Canada Savings Bonds, Guaranteed Investment Certificates and Bank Deposit Receipts. This has benefited the individual estate but has substantially increased the volume of paperwork in our Securities Section. The continuation of that investment programme is warranted because of the increased return to the individual estate and because the revenue earned by the office certainly permits it.

Increasing use of the Data Processing System, which has now been in effect for more than three years, changes in the investment programme and amendments to the duties of the office as a result of legislative changes are likely to require some amendment to the office organization.

The proposed repeal of the Mortmain and Charitable Uses Act will likely reduce the number of applications made to the Public Trustee for consent to Court Orders or for the granting of Quit Claim Deeds. Hopefully this will enable us to devote more time to the supervision of charities under The Charitable Gifts Act and The Charities Accounting Act.

In the mental health field the Public Trustee is receiving an increasing number of requests for assistance in the following areas:

- (a) Appointments as a guardian of the person for the express purpose of giving consent to elective surgery;

-
- (b) Review of the accounts of private committees under The Mental Incompetency Act at the request of County Court judges;
 - (c) Representation of a spouse in wardship, custody, divorce or Family Law Reform Act applications;
 - (d) Applications as committee of the estate of elderly individuals who are not in a psychiatric facility but who are living in the community or resident in a nursing home, home for the aged or chronic care hospital.

Many of these issues are receiving the further study and consideration of the authorities in the Ministries of Health, Community and Social Services and the Attorney General, and particularly through the meetings of the Interministerial Committee of these three Ministries under the chairmanship of Mr. Gilbert Sharpe.

During the past year Alzheimer patients and their families through the National Alzheimer Society and its local Chapters have been particularly vociferous in stating the view that The Powers of Attorney Act as amended in 1979 still results in what they see as an unwarranted interference by bureaucracy in what is essentially a family problem. In seeking a solution to the problem one must remember, however, that not every Alzheimer patient enjoys the concern and attention of caring friends and relatives, and frequently the Alzheimer patient is vulnerable to those who would take advantage.

Members of the Management Committee of the office of the Public Trustee have to be concerned about staff absenteeism. During the past year the average number of days that an employee was away because of claimed illness was in excess of 12. Each day on an average, 5 per cent of the staff have been away because of illness. We are struggling to find some solution to this problem within the terms of the requirements of the Collective Agreement which is applicable.

Although we have faced a number of small pockets of particular problems, I am convinced that the office of the Public Trustee has performed its duties in the past fiscal year not only profitably but with a high degree of service to the public. That has only been possible with the co-operation of the officials of the Ministry of the Attorney General, the efforts of the staff and the assistance of the medical profession, social workers and especially the families of patients whose estates the Public Trustee administers.

Respectfully submitted,



A.J. McComiskey,
Public Trustee.

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

BALANCE SHEET AS AT MARCH 31, 1982

	<u>ASSETS</u>	<u>1982</u>	<u>1981</u>
ESTATES AND TRUSTS			
Cash in bank		\$ 58,750	\$ 124,189
Funds invested (schedule A)		87,945,770	87,745,770
Bonds		85,752,666	67,629,785
Stocks		5,956,273	5,564,844
Mortgages receivable		4,108,571	3,638,494
Real estate		28,611,940	26,525,308
Pensions and life insurance		37,612,713	32,789,966
Miscellaneous		3,015,163	3,634,873
		<u>253,061,846</u>	<u>227,653,229</u>
Deduct mortgages payable		<u>893,329</u>	<u>893,752</u>
		<u>252,168,517</u>	<u>226,759,477</u>
ADMINISTRATION FUND ACCOUNT (note 2)			
Cash in bank		68,765	58,660
Funds invested (schedule A)		<u>19,865,000</u>	<u>14,980,000</u>
		<u>19,933,765</u>	<u>15,038,660</u>
		<u>\$272,102,282</u>	<u>\$241,798,137</u>
LIABILITIES			
ESTATES AND TRUSTS			
Patients' estates		\$194,702,482	\$172,506,133
Crown estates		16,918,983	15,831,188
Deceased persons' estates		5,065,809	3,801,484
Probable escheats		7,743,761	8,250,500
Special trusts and charities		16,280,772	15,033,785
Corporate estates		5,192,858	5,243,075
Crown companies		583,527	363,293
Indian trusts		185,589	183,907
Unclaimed balances		391,042	371,950
Cemetery trusts		5,038,843	5,111,431
Child welfare trusts		<u>64,851</u>	<u>62,731</u>
		<u>252,168,517</u>	<u>226,759,477</u>
ADMINISTRATION FUND ACCOUNT (note 2)			
Current liabilities		505,698	244,476
Assurance fund (note 3)		200,000	200,000
Surplus		<u>19,228,067</u>	<u>14,594,184</u>
		<u>19,933,765</u>	<u>15,038,660</u>
		<u>\$272,102,282</u>	<u>\$241,798,137</u>

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31, 1982

Revenue	<u>1982</u>	<u>1981</u>
Fees collected		
Patients' estates	\$ 3,251,958	\$ 2,062,951
Crown estates	492,021	383,835
Deceased persons' estates	112,592	44,103
Probable escheats	97,646	73,429
Crown companies	19,368	31,534
Special trusts	162,571	148,375
Corporate estates	14,304	5,590
Cemetery trusts	22,200	21,512
Charities	<u>50,776</u>	<u>34,079</u>
	4,223,436	2,805,408
Bank interest	6,627	15,771
Income from funds invested, net (schedule B)	<u>4,926,690</u>	<u>3,936,538</u>
	<u>9,156,753</u>	<u>6,757,717</u>
 Expenditures		
Salaries	3,181,875	2,866,138
Employee benefits	496,177	431,535
Transportation and communication	104,333	96,489
Services	629,395	520,318
Supplies and equipment	111,090	114,846
	<u>4,522,870</u>	<u>4,029,326</u>
 EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 4,633,883</u>	<u>\$ 2,728,391</u>

STATEMENT OF SURPLUS

YEAR ENDED MARCH 31, 1982

	<u>1982</u>	<u>1981</u>
BALANCE AT BEGINNING OF YEAR	\$14,594,184	\$11,865,793
Excess of revenue over expenditures	<u>4,633,883</u>	<u>2,728,391</u>
BALANCE AT END OF YEAR	<u>\$19,228,067</u>	<u>\$14,594,184</u>

See accompanying notes to financial statements.

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

DETAILS OF FUNDS INVESTED

AS AT MARCH 31, 1982

	SCHEDULE A	
	<u>1982</u>	<u>1981</u>
Bank term deposits	\$ 16,700,000	\$ 11,818,690
Bonds (schedule C)	88,637,762	88,625,520
Accrued interest	2,416,373	2,190,678
Cash in bank	56,635	90,882
	<u>\$107,810,770</u>	<u>\$102,725,770</u>
Allocated as follows:		
Estates and trusts	\$ 87,945,770	\$ 87,745,770
Administration fund account (note 2)	19,865,000	14,980,000
	<u>\$107,810,770</u>	<u>\$102,725,770</u>

INCOME FROM FUNDS INVESTED

YEAR ENDED MARCH 31, 1982

	SCHEDULE B	
	<u>1982</u>	<u>1981</u>
Interest earned on investments	\$ 10,494,887	\$ 9,583,453
Interest earned on bank accounts	236,326	221,782
	10,731,213	9,805,235
Deduct interest allowed	5,804,523	5,868,697
Income from funds invested, net	<u>\$ 4,926,690</u>	<u>\$ 3,936,538</u>

DETAILS OF BONDS

AS AT MARCH 31, 1982

	SCHEDULE C	
	<u>Par value</u>	<u>Amortized cost</u>
Province of Ontario	\$ 13,450,000	\$ 13,435,820
Ontario Hydro	75,687,000	75,201,942
	<u>\$ 89,137,000</u>	<u>\$ 88,637,762</u>

See accompanying notes to financial statements.

THE PUBLIC TRUSTEE OF THE PROVINCE OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 1982

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Funds invested

Funds are invested in income producing securities and are normally held until their maturity. Such securities are traded only if any resultant loss on sale can be recovered through investment in replacement securities prior to the maturity date of the securities being traded. Accordingly, the securities are recorded at cost adjusted for the amortization of premiums or discounts on purchase. Interest income is recorded on an accrual basis.

(b) Stocks and bonds of estates and trusts

Stocks and bonds for all Estates and Trusts, except Cemetery Trusts, are recorded at the value of the stocks and bonds at the time of taking over of the Estates and Trusts. This valuation is determined by the Public Trustee's security department. The bonds of Cemetery Trusts are valued at par.

(c) Real estate

Real estate is recorded at appraised value at time of incorporation of the trust and is subject to periodic subsequent adjustments.

(d) Pensions

Pensions are recorded at the estimated annual amount receivable by the trusts.

(e) Life insurance

Life insurance is recorded at its cash surrender value at the time of taking over of the Estates and Trusts.

(f) Fixed assets

Fixed assets are recorded as expenditures when purchased.

2. ADMINISTRATION FUND ACCOUNT

The Administration Fund is the operating account of the Public Trustee. It is used to accumulate fees charged each estate for services, as prescribed by the regulations under the Public Trustee Act.

Cash balances in the Administration Fund which are not required for operating purposes are invested along with the cash funds of estate and trust accounts. The Administration Fund receives the net interest income of these investment activities, after interest is allowed on the Estate and Trust Funds in accordance with regulations under the Act.

All operating expenses of the office of the Public Trustee are paid from the Administration Fund.

The Lieutenant Governor in Council may from time to time direct the payment into the Province's Consolidated Revenue Fund of any balance at the credit of the Administration Fund. The most recent such direction was made by Order in Council dated September 6, 1972 whereunder \$8,500,000 was paid out of the Administration Fund into the Consolidated Revenue Fund of the Province.

3. ASSURANCE FUND

The regulations under the Act provide that an Assurance Fund be established to meet losses for which the office of the Public Trustee might become liable. At the direction of the Advisory Committee, transfers from the Administration Fund in the amounts of \$25,000 and \$175,000 were made in September 1942 and March 1957, respectively. A resolution of the Advisory Committee on September 25, 1974 recommended the continuance of this Fund in the amount of \$200,000.

4. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with 1982 presentation.



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Public Trustee of the Province of Ontario and to the Attorney General

I have examined the balance sheet of the Public Trustee of the Province of Ontario as at March 31, 1982 and the statements of revenue and expenditures and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Public Trustee of the Province of Ontario as at March 31, 1982 and the results of operations for the year then ended in accordance with the accounting policies described in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Public Trustee and to the Attorney General.

Toronto, Ontario,
June 23, 1982.

D.F. Archer, F.C.A.,
Provincial Auditor.

STATISTICAL REVIEW

	<u>As at March 31st</u>	
	<u>1982</u>	<u>1981</u>
Assets under Administration	\$ 272,102,282	\$ 241,798,137
Revenue	9,157,153	6,757,717
Operating Expenses	4,521,295	4,029,326
Excess of Revenue over Expenditure	4,633,883	2,728,391
Surplus	19,228,067	14,594,184
Cash Receipts	82,636,399	78,103,365
Public Trustee Investments at Book Value	105,337,762	100,444,210
No. of Files — Estates and Trusts	26,267	26,112
No. of Files — Charities	34,126	32,376
No. of Staff — Permanent	151	151
Contract	1	0

STATUTES AFFECTING THE PUBLIC TRUSTEE

Ontario

Absentees Act — R.S.O. 1980, c.3
Business Corporations Act — R.S.O. 1980, c.54
Cemeteries Act — R.S.O. 1980, c.59
Charitable Gift Acts — R.S.O. 1980, c.63
Charities Accounting Act — R.S.O. 1980, c.65
Child Welfare Act — R.S.O. 1980, c.66
Compensation for Victims of Crime Act — R.S.O. 1980, c.82
Corporations Act — R.S.O. 1980, c.95
Crown Administration of Estates Act — R.S.O. 1980, c.105
Development Services Act — R.S.O. 1980, c.118
Escheats Act — R.S.O. 1980, c.142
Estates Administration Act — R.S.O. 1980, c.143
Family Benefits Act — R.S.O. 1980, c.151
Family Law Reform Act — R.S.O. 1980, c.152
Homes for Special Care Act — R.S.O. 1980, c.202
Judicature Act — R.S.O. 1980, c.223 and Consolidated Rules of Practice
Mental Health Act — R.S.O. 1980, c.262
Mental Hospitals Act — R.S.O. 1980, c.263
Mental Incompetency Act — R.S.O. 1980, c.264
Mortmain and Charitable Uses Act — R.S.O. 1980, c.267
Municipal Affairs Act — R.S.O. 1980, c.303
Powers of Attorney Act — R.S.O. 1980, c.386
Public Trustee Act — R.S.O. 1980, c.422
Succession Law Reform Act — R.S.O. 1980, c.488
Surrogate Courts Act — R.S.O. 1980, c.491
Trustee Act — R.S.O. 1980, c.512
Workmen's Compensation Act — R.S.O. 1980, c.539

BY CONSENT WE ACCEPT TRUSTS FROM FEDERAL AUTHORITIES

Under: 1. Department of Veterans Affairs Act - R.S.O. 1970, c.V-1
2. Indian Act - R.S.O. 1970, c.1-6, as amended

ORGANIZATION CHART — OFFICE OF THE PUBLIC TRUSTEE



